

# The Many Faces of Mortgage Fraud

## The Fraudulent Flip



## The False Rescue



Example: U.S. v. Husani et al.: Four conspirators, including the closing attorney, purchased vacant Sarasota commercial properties and then, relying in part on inflated appraisals, “flipped” the properties to a conspirator at double the price, resulting in a \$24 million profit. Three have been sentenced, and Husani is a fugitive.

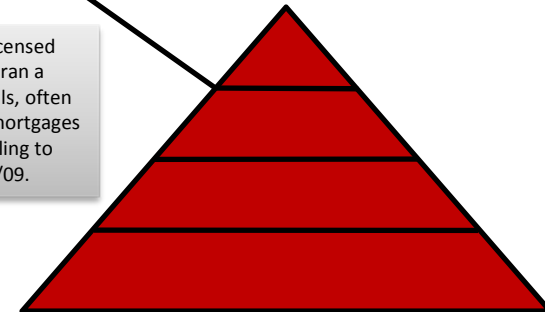
Example: U.S. v. Martin: Through his company, Antigua H&M, Martin promised to bring past due mortgages current, then collected the refinancing payments and kept the money. Martin pleaded guilty on 7/16/09 to this and other schemes.

## Identity Theft



Example: U.S. v. Cendana\*: Cendana allegedly obtained others' identification information through his real estate business and used their identities to obtain mortgages, pocketing the money. Indicted 10/22/09.

## The Ponzi Scheme



Example: U.S. v. Bakowski\*: Florida-licensed real estate broker Bakowski allegedly ran a Ponzi-style scheme in which individuals, often elderly, invested their life savings in mortgages that Bakowski was simultaneously selling to multiple other people. Charged 9/11/09.

\* An indictment is merely a formal charge that a defendant has committed a violation of the federal criminal laws, and every defendant is presumed innocent until, and unless, proven guilty.